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QS Energy's AOT Crude Oil Pipeline Optimization Technology Under Consideration by Largest Producers in Middle East

SANTA BARBARA, CA -- (Marketwired) -- 08/15/16 --[QS Energy, Inc.](#) (the "Company") (OTCQB: QSEP), a developer of integrated technology solutions for the energy industry, today announced it is engaged in discussions with two of the world's largest crude oil producing nations in the Middle East to provide deployment strategies for the Company's AOT Viscosity/Pressure Drop Reduction technology. Under a non-disclosure agreement with one of these entities, QS Energy will be testing customer-provided crude oil samples at Temple University's Department of Physics laboratory and performing feasibility studies to determine the potential benefits of AOT installations on a specific number of pumping stations on several pipeline systems.

"There are a number of large infrastructure modernization programs underway in the Middle East to increase crude oil output and significantly expand the pipeline systems that transport upstream production to refineries and marine offloading facilities," stated Gregory M. Bigger, Chairman and CEO of QS Energy. "Due to the efforts of our distributor [Energy Tech Premier Group](#) and our own business development activities, we have provided a non-binding Letter of Intent (LOI) to the second of these entities which is now going through Arabic translation and is under review by their leadership. Our objective is to forecast how the use of AOT technology might improve the efficiencies and Opex performance of their respective pipeline systems."

Mr. Bigger added that the opportunities stem from upstream projects undertaken by two of the Middle East's most prominent oil producers to step up production and improve delivery to market. Recently, several oil-producing nations including OPEC members Saudi Arabia, Iran, and Iraq have announced ambitious plans to increase output and streamline their ability to transport production to refineries and seaports for delivery to foreign markets.

In July OPEC's second largest producer Iraq announced their intention to increase crude oil production by [250,000 to 350,000 barrels per day by 2017](#), up from its current level of 4.6 million bpd. As of last month the output of Middle East nations reached record levels of over 31 million barrels a day during each of the past three months, [according to data from the International Energy Administration](#). Overall, Middle Eastern global market share has now



Greggory M. Bigger
CEO and Chairman
QS Energy, Inc.

grown to 35%, the highest since the late 1970s.

During the first and second quarters of 2015, crude oil samples from a major Middle East oil producer were provided to Temple University for laboratory testing to simulate the potential benefits of AOT on a commercial pipeline. The test results demonstrated viscosity reductions of 20% to 35% using AOT technology. As a result of these performance benchmarks, we have moved to discussions with this Middle East entity regarding a project-specific AOT Viscosity/Pressure Drop Reduction system. QS Energy has also provided a detailed benefit analysis case study for their review and provided recommendations for outfitting a certain pipeline with the AOT equipment.

Following similar laboratory testing with another top-tier Middle East oil producer, in May 2016 QS Energy executed a non-disclosure agreement in consideration and evaluation of potential transactions and joint development activities.

"Based on our continuing interactions with these organizations, we believe that they are dedicated to implementing strategic, multi-pronged engineering programs to improve the existing pipeline infrastructure and deliver hydrocarbons more efficiently and cost-effectively to global markets," Mr. Bigger stated. "Our feasibility testing and AOT Case Study proposals will focus on the projected measurable performance efficiencies we believe we can bring to the extensive pipeline systems of these nations and how AOT may increase flow rates and reduce pipeline pressure drop, thereby minimizing delivery delays and bottlenecks."

For further information about QS Energy, Inc., visit www.QSEnergy.com, read our SEC filings at <https://ir.stockpr.com/qsenergy/all-sec-filings> and subscribe to Email Alerts at <https://ir.stockpr.com/qsenergy/email-alerts> to receive company news and shareholder updates.

Safe Harbor Statement:

Some of the statements in this release may constitute forward-looking statements under federal securities laws. Please visit the following link for our complete cautionary forward-looking statement: <http://www.qsenergy.com/site-info/disclaimer>

About AOT™ (Applied Oil Technology)

Developed in partnership with scientists at Temple University in Philadelphia, AOT (Applied Oil Technology) is the energy industry's first crude oil pipeline flow improvement solution using an electrical charge to coalesce microscopic particles native to unrefined oil, thereby reducing viscosity. Over the past four years AOT has been rigorously prepared for commercial use with the collaboration of over 30 engineering teams at 19 independent oil production and transportation entities interested in harnessing its demonstrated efficacy to increase pipeline performance and flow, drive up committed and uncommitted toll rates for pipeline operators, and reduce pipeline operating costs. Although AOT originally attracted the attention of pipeline operators motivated to improving their takeaway capacity during an historic surge in upstream output resulting from enhanced oil recovery techniques, the technology now represents the premiere solution for improving the profit margins of producers and transporters during today's economically challenging period of low spot prices and supply surplus.

About QS Energy, Inc.

[QS Energy, Inc.](http://www.QSEnergy.com) (OTCQB: QSEP), provides the global energy industry with patent-protected

industrial equipment designed to deliver measurable performance improvements to crude oil pipelines. Developed in partnership with leading crude oil production and transportation entities, QS Energy's high-value solutions address the enormous capacity inadequacies of domestic and overseas pipeline infrastructures that were designed and constructed prior to the current worldwide surge in oil production. In support of our clients' commitment to the responsible sourcing of energy and environmental stewardship, QS Energy combines scientific research with inventive problem solving to provide energy efficiency 'clean tech' solutions to bring new efficiencies and lower operational costs to the upstream, midstream and gathering sectors. More information is available at: www.QSEnergy.com

Image Available:

<http://www.marketwire.com/library/MwGo/2016/8/14/11G110465/Images/MultimediaAsset1-1863733044.jpg>

Company Contact

QS Energy, Inc.

Tel: +1 805 845-3581

E-mail: investor@QSEnergy.com

Investor Relations

QS Energy, Inc.

Tel: +1 805 845-3581

E-mail: investor@QSEnergy.com

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